

Message Text

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ACTION L-03

INFO OCT-01 ARA-06 ISO-00 SP-02 TRSE-00 OMB-01 EB-07

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 2071

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FOR: ARA - AMBASSADOR SCHLAUDEMANN, L/EUR - MR. GANTZ,
S/P - DR. EINAUDI, TREASURY - MR. MARESCA: PLEASE PASS MR. MAW

EO 11652: NA

TAGS: BDIS, EIND, EINV, EMIN, PFOR, PE

SUBJ: GOP PUBLISHES MARCONA AGREEMENT AND NECESSARY
DECREE LAW IMPLEMENTING IT

1. OCTOBER 1 "EL PERUANO" CARRIES TEXT OF INTER-GOVERNMENTAL AGREEMENT ON MARCONA SETTLEMENT AS WELL AS DECREE LAW 21644, DATED SEPTEMBER 28, WHICH GIVES COUNCIL OF MINISTERS' APPROVAL TO AGREEMENT. "EL PERUANO" TEXT OF AGREEMENT CONFORMS TO TEXT OF ORIGINAL SPANISH VERSION. "EL PERUANO" ALSO CARRIES TEXT OF DECREE LAW 21636, DATED SEPTEMBER 21, WHICH GIVES COUNCIL OF MINISTERS' APPROVAL OF GOP EXPERTS' VALUATION OF MARCONA ASSETS AND OFFICIAL GOVERNMENT COMMUNIQUE WHICH (A) SUMMARIZES BRIEFLY AND WITHOUT DETAIL HISTORY OF THE NEGOTIATIONS BETWEEN USG AND GOP, (B) GIVES RESULTS OF COMMISSION OF EXPERTS' VALUATION OF MARCONA ASSETS, (C) CLAIMS THAT CASH PORTION OF SETTLEMENT WILL NOT ADVERSELY AFFECT PERU'S BALANCE OF PAYMENTS, (D) DESCRIBES ORE PRICE ARRANGEMENT, AND (E) NOTES THAT INTER-GOVERNMENTAL AGREEMENT WILL CONTRIBUTE TO MAINTAINING CORDIAL RELATIONS

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BETWEEN THE TWO GOVERNMENTS.

2. ACCORDING TO COMMUNIQUE, THE EXPERTS HAD VALUED THE NET TECHNICAL REPLACEMENT VALUE OF THE EXPROPRIATED ASSETS AT \$69,853,151; IN ADDITION THE COMMUNIQUE STATES THAT ASSETS WORTH AN ADDITIONAL \$28,540,000 WERE ASSUMED BY THE PERUVIAN STATE DUE TO NON-FULFILLMENT BY MARCONA OF ITS CONTRACT WITH THE GOP. THE COMMUNIQUE CLAIMS THAT "THE PERUVIAN STATE HAS THUS OBTAINED THE BENEFIT OF \$36,953,151," I.E., THE DIFFERENCE BETWEEN THE \$98,393,151 (\$69,853,151 PLUS \$28,540,000) IN ASSETS OBTAINED AND THE \$61,440,000 PAID IN COMPENSATION. (COMMENT: CLEARLY THE PURPOSE OF THE COMMUNIQUE IS TO PUT BEST LIGHT ON PERUVIANS AS HAVING OBTAINED FAVORABLE SETTLEMENT. COVERAGE BY SEVERAL LIMA DAILIES EMPHASIZES THIS ASPECT OF AGREEMENT. END COMMENT.)

3. EMBASSY TELEGRAPHING SPANISH LANGUAGE TEXTS OF DECREE LAW 21644, APPROVING AGREEMENT, AND OFFICIAL COMMUNIQUE. ALL ARTICLES IN "EL PERUANO" AND OTHER NEWSPAPERS WILL BE POUCHED TO DR. EINAUDI, S/P.

4. EMBASSY IN COMMUNICATION WITH OFFICIALS OF FOREIGN MINISTRY AND BANCO DE LA NACION TO CARRY OUT STEPS REMAINING TO COMPLETE AGREEMENT AS PER STATE 240343.
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